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STATE PLEASE PASS TO USTR JASON BUNTIN, CHRIS WILSON AND JOSH  
KALLMER

STATE FOR EUR/NB, CA/VO, EEB/IFD/OMA WESLEY SCHOLZ AND MICHAEL  
TRACTON

SENSITIVE

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SUBJECT: ICELAND SIGNS TIFA, PUSHES FOR E VISAS

1. (SBU) Assistant U.S. Trade Representative for Europe and the Middle East Christopher S. Wilson and Acting Minister for Foreign Affairs Ossur Skarphedinsson signed a Trade and Investment Cooperation Framework Agreement (TIFA) in Reykjavik on January 15. The TIFA establishes a commitment to meet on a regular basis to discuss trade and investment issues. During the signing, Minister Skarphedinsson expressed his hope that the TIFA would increase and strengthen the countries' economic relations.

2. (SBU) Wilson, USTR Director for Europe and Middle East Jason Buntin, and Econoff attended a subsequent meeting with Acting MFA Permanent Secretary Benedikt Jonsson, MFA Director General for External Trade Martin Eyjolfsson, and other representatives from the MFA and the Ministry of Business Affairs. Jonsson emphasized the importance of meeting on a regular basis and Wilson suggested both sides exchange ideas to develop an agenda for a first meeting. Wilson highlighted some possible themes, such as Intellectual Property Rights, Trade and Climate Change. Wilson said June 2009 would be a good date for the next meeting and suggested that Reykjavik might be an ideal location. Jonsson was very receptive to this idea.

Elephant in the Room - E Visas

3. (SBU) Jonsson raised what he described as "the elephant in the room," the lack of E-2 investor visas for Icelandic businessmen. Jonsson stressed that Icelandic businesses raise the issue with the MFA "all the time." He said the Icelanders had received positive feedback from Congress, "they gave us a letter and they don't object" to proceeding further in obtaining E visas. Jonsson said Iceland needed a commitment to start negotiating an arrangement that would include E visas and would appreciate support for that request.

Wilson explained the changed role of USTR in regards to visas, but promised to convey Jonsson's concern with the Department of State and he encouraged the Icelanders to continue engagement with Congress.

4. (U) This cable has been cleared by USTR.

VAN VOORST